

Compliance Assessment Sampling Plan – 9802.00.60

CAT KIT Exhibit 11

Attribute, Test, Error(s) & Criteria	Sampling Parameters	Universe	Potential Sampling Frame(s)	Evaluation of Compliance Testing & Actions Needed
<p>Attribute: Did the metal articles exported for processing qualify under the Subheading 9802.00.60 HTSUS in accordance with 19 CFR 10.9?</p> <p>Test (Primary Audit Steps):</p> <ol style="list-style-type: none"> (1) Determine eligibility for each sampled item. <ol style="list-style-type: none"> a) Verify that the article exported meets the definition of "metal" and no drawback was claimed. b) Verify Determine that imported metal articles were <ul style="list-style-type: none"> • Manufactured in the U.S. and then exported for further processing at a foreign plant • Returned to the U.S. for further processing • Processed in the U.S. after return. c) Ascertain that foreign processing operations qualified for HTSUS 9802.00.60. treatment. d) Obtain and verify the importer's support for <ul style="list-style-type: none"> • Total value of the imported article • Nondutiable value claimed under HTSUS 9802.00.60. (2) Determine if the company's internal control policies and procedures for 9802.00.60 were <ul style="list-style-type: none"> • Documented, and • Produced accurate 9802.00.60 entries. <p>Errors:</p> <ul style="list-style-type: none"> • Metal articles were not manufactured in the U.S. or not exported for further processing • Metal articles were not returned for further processing • Metal articles were not processed in U.S. after return • Foreign processing does not qualify for 9802.00.60 treatment • Total value of imported articles including nondutiable value is not correct • The importer is unable to provide adequate support or information for the 9802.00.60 claim. <p>Criteria for Testing (Statistical Sample or 100% Review):</p> <ul style="list-style-type: none"> • CAT determines that the trade area is a high risk trade area. • Trade area ≥ \$10,000,000. 	<p>Approach: attribute estimation sampling using the average error rate (point estimate) for evaluating compliance</p> <p>Confidence Level: 95%</p> <p>Sampling Error (Precision): ±5% (10% range)</p> <p>Anticipated Error Rate: 5%</p>	<p>9802.00.60 line items on Customs entries made during the importer's last completed fiscal year</p>	<p>Customs' Records: 9802.00.60 Line Items</p> <p>Importer's Records: Inventory of 9802.00.60 Articles</p> <p>Sampling Frame: _____</p> <p>Validated Sample: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Frame Size: _____</p> <p>Sample Size: _____</p>	<p>LOL Compliance Rate: ____ %</p> <p>Systemic/Non-Systemic or Recurring Errors?</p> <ul style="list-style-type: none"> – If systemic, recommend importer correct cause of error(s). – If recurring, project the effect and recommend collection of unpaid duties and fees. – If non-recurring, recommend collection of duties and fees on identified errors, if applicable. <p>• LOL Error Rate ≤ 5%</p> <ul style="list-style-type: none"> – If internal controls were documented, compliance is at an acceptable level for 9802.00.60. – If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP. <p>• LOL Error Rate > 5%</p> <p>Apply materiality criteria. (CAT Kit Exhibit 32)</p> <p>Materiality Compliance Rate: ____ %</p> <p>• Materiality Compliance Rate is acceptable</p> <ul style="list-style-type: none"> – If internal controls were documented, compliance is at an acceptable level for 9802.00.60. – If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP. <p>• Materiality Compliance Rate is unacceptable</p> <ul style="list-style-type: none"> – If materiality error rate is not acceptable, importer compliance for 9802.00.60 is not acceptable. Coordinate with the Account Manager to help company develop a CIP. <p>Prepare results sheet and refer to the Enforcement Evaluation Team (EET) if findings meet the EET impact level for referral.</p>